

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING \$10 MILLION FROM THE GENERAL FUND TO THE CULTURAL AND AESTHETIC TRUST FUND; REVISING THE BALANCE REQUIRED IN THE CULTURAL AND AESTHETIC TRUST FUND FOR PURPOSES OF DEPOSITS; AMENDING SECTION 22-3-1003, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION.** **Section 1. Fund transfer.** On July 1, 2007, there is transferred \$10 million from the general fund to the trust fund established in 15-35-108 for the protection of works of art in the state capitol and other cultural and aesthetic projects.

**Section 2.** Section 22-3-1003, MCA, is amended to read:

**"22-3-1003. Powers of commission -- contracts -- rules.** (1) (a) The Montana heritage preservation and development commission may contract with private organizations to assist in carrying out the purpose of 22-3-1001. The term of a contract may not exceed 20 years.

(b) The provisions of Title 18 may not be construed as prohibiting contracts under this section from being let by direct negotiation. The contracts may be entered into directly with a vendor and are not subject to state procurement laws.

(c) Architectural and engineering review and approval do not apply to the historic renovation projects.

(d) The contracts must provide for the payment of prevailing wages.

(e) A contract for supplies or services, or both, may be negotiated in accordance with commission rules.

(f) Management activities must be undertaken to encourage the profitable operation of properties.

(g) Contracts may include the lease of property managed by the commission. Provisions for the renewal of a contract must be contained in the contract.

(2) (a) Except as provided in subsection (2)(b), the commission may not contract for the construction of a building, as defined in 18-2-101, in excess of \$200,000 without the consent of the legislature. Building construction must be in conformity with applicable guidelines developed by the national park service of the U.S.

1 department of the interior, the Montana historical society, and the Montana department of fish, wildlife, and parks.

2 (b) The commission may contract for the preservation, stabilization, or maintenance of existing structures  
3 or buildings for an amount that exceeds \$200,000 without legislative consent if the commission determines that  
4 waiting for legislative consent would cause unnecessary damage to the structures or buildings or would result  
5 in a significant increase in cost to conduct those activities in the future.

6 (3) (a) Subject to subsection (3)(b), the commission, as part of a contract, shall require that a portion of  
7 any profit be reinvested in the property and that a portion be used to pay the administrative costs of the property  
8 and the commission.

9 (b) (i) Until the balance in the cultural and aesthetic trust fund established in 15-35-108 reaches  
10 ~~\$7,750,000~~ \$17,750,000, the commission shall deposit the portion of profits not used for administrative costs and  
11 restoration of the properties in the cultural and aesthetic trust.

12 (ii) Once the balance in the cultural and aesthetic trust fund established in 15-35-108 reaches ~~\$7,750,000~~  
13 \$17,750,000, the commission shall deposit the portion of profits not used for administrative costs and restoration  
14 of the properties in the general fund.

15 ~~—— (c) It is the intent of the 58th legislature that no general fund money be provided for the operations and~~  
16 ~~maintenance of Virginia City and Nevada City beyond what has been appropriated by the 55th legislature.~~

17 (4) The commission may solicit funds from other sources, including the federal government, for the  
18 purchase, management, and operation of properties.

19 (5) (a) The commission may use volunteers to further the purposes of this part.

20 (b) The commission and volunteers stand in the relationship of employer and employee for purposes  
21 of and as those terms are defined in Title 39, chapter 71. The commission shall provide each volunteer with  
22 workers' compensation coverage, as provided in Title 39, chapter 71, during the course of the volunteer's  
23 assistance.

24 (6) Volunteers are not salaried employees and are not entitled to wages and benefits. The commission  
25 may, in its discretion, reimburse volunteers for their otherwise uncompensated out-of-pocket expenses, including  
26 but not limited to their expenditures for transportation, food, and lodging.

27 (7) The commission shall establish a subcommittee composed of an equal number of members of the  
28 Montana historical society board of trustees and commission members to review and recommend the sale of  
29 personal property from the former Bovey assets acquired by the 55th legislature. A recommendation to sell may  
30 be presented to the commission only if the recommendation is supported by a majority of the members of the

1 subcommittee.

2 (8) The commission shall adopt rules establishing a policy for making acquisitions and sales of real and  
3 personal property. With respect to each acquisition or sale, the policy must give consideration to:

4 (a) whether the property represents the state's culture and history;

5 (b) whether the property can become self-supporting;

6 (c) whether the property can contribute to the economic and social enrichment of the state;

7 (d) whether the property lends itself to programs to interpret Montana history;

8 (e) whether the acquisition or sale will create significant social and economic impacts to affected local  
9 governments and the state;

10 (f) whether the sale is supported by the director of the Montana historical society;

11 (g) whether the commission should include any preservation covenants in a proposed sale agreement  
12 for real property;

13 (h) whether the commission should incorporate any design review ordinances established by Virginia  
14 City into a proposed sale agreement for real property; and

15 (i) other matters that the commission considers necessary or appropriate.

16 (9) Except as provided in subsection (11), the proceeds of any sale under subsection (8) must be placed  
17 in the account established in 22-3-1004.

18 (10) Public notice and the opportunity for a hearing must be given in the geographical area of a proposed  
19 acquisition or sale of real property before a final decision to acquire or sell the property is made. The commission  
20 shall approve proposals for acquisition or sale of real property and recommend the approved proposal to the  
21 board of land commissioners.

22 (11) The commission, working with the board of investments, may establish trust funds to benefit historic  
23 properties. Interest from any trust fund established under this subsection must be used to preserve and manage  
24 assets owned by the commission. Funds from the sale of personal property from the Bovey assets must be  
25 placed in a trust fund, and interest from the trust fund must be used to manage and protect the remaining  
26 personal property.

27 (12) Prior to the convening of each regular session, the commission shall report to the governor and the  
28 legislature, as provided in 5-11-210, concerning financial activities during the prior biennium, including the  
29 acquisition or sale of any assets."  
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